

**SECRET**

GUS-0401

Copy 1 of 8

16 FEB 1961

MEMORANDUM FOR : Deputy Director (Plans)

SUBJECT : Disposition of materials and residual under  
Contracts Nos. JM-1926 and HL-4646, [REDACTED]  
[REDACTED] Project  
GUSTO

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REFERENCE : Memorandum for the Record, CHAL-0942-60

1. This memorandum sets forth a recommendation submitted for concurrence of the Deputy Director (Plans). Such recommendation is contained in paragraph 5.

2. During the Contracting Officer's recent trip as described in the referenced memorandum, several questions were posed by the subject Contractors regarding disposition of residual under their GUSTO contracts. Because of the high dollar value of this residual and the sums of money invested by the Agency in this program, it is felt that as a matter of policy this should be brought to your attention.

3. In the case of [REDACTED] the Contractor had generated a considerable amount of residual property consisting of:

- a. Raw materials
- b. Parts in process
- c. Completed parts and components
- d. Two complete ramjet engines
- e. Tooling
- f. Technical data

The Contractor, acting in accordance with previous instructions from the Contracting Officer (coordinated with [REDACTED] and the Development Branch), has disposed of by transfer to existing Government contracts in house, all usable common materials, parts and components. Appropriate credits have been made to our contract. Contractor expressed a desire to sanitize and retain technical data produced under the contract and has submitted a final report of the work accomplished in a "sterile" form. All peculiar materials, parts, components, the completed engines and tooling have been held in temporary storage pending a

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requirement by the Project or the Air Force for possible future use. The Contracting Officer has been advised by [REDACTED] 25X1A that the Project has no further requirement for this material. Colonel N. Appold of the Air Force has advised that his organization has no known requirement. However, the "sterile" version of the final report is being made available to him for coordination with the Wright Air Development Center Power Plant Laboratory as a last resort. In the event the Air Force has no requirement, it is proposed that the Contractor be instructed to destroy and scrap all peculiar materials which are sensitive from a security standpoint. All other materials which may have a possible use on other Government work will be retained by the Contractor under Government property control procedures. The Contractor will certify that such material will be used at no cost on other Government contracts only. Your concurrence in this method of disposition is requested.

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4. At [REDACTED] the following types of material were generated under the contract and must be disposed of:

- a. Electronic models
- b. Wind tunnel models
- c. Raw materials
- d. Parts
- e. Tools and fixtures
- f. Facilities
- g. Technical data

During the meeting with [REDACTED] as mentioned in the referenced memorandum, the Contractor was given instructions as follows:

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a. The Project would be responsible for all models and materials left at [REDACTED]

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b. Pending approval of Project Headquarters, the Contractor could retain all wind tunnel models.

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c. [REDACTED] was to dispose of all materials, parts, tooling and fixtures of a non-sensitive nature by scrap or transfer to Government CFFF inventories for use on other Government contracts.

d. All electronic models and sensitive materials, parts and tooling were to be destroyed and scrapped, if possible.

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e. [REDACTED] was to furnish one copy of all reports generated under the contract and not heretofore submitted. Subject to Project Headquarters approval, Contractor desired to retain in a sanitized form all drawings and all design and technical data generated under the contract.

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f. [REDACTED] had acquired and charged to the contract the facility type items on the attached list. Item 4 (Blue Print Machine) and two (2) each of Item 5 (Calculators) had been siphoned off to Perkin-Kimer for the OXCART program. However, Item 5 was too large to fit through their door and is presently in the Franconia warehouse. [REDACTED] is presently using all of the items under other Government contracts and requested that they be allowed to retain the remaining items. However, the list has been screened by LAC, P&W and Materiel Branch for use in the OXCART program. LAC has requested Item 2 (Ditto Machine) and four (4) each of Item 5 (Calculators). P&W has requested Item 1 (Bruning Vacuum Frame), the balance of Item 5 (Calculators) and Item 7 (Rotary Furnace). Materiel Branch has requested Item 6 (Motor Scooters) for use at the Ranch. If these requests were honored this would leave only Item 3 (White Printer) at [REDACTED]. This would be transferred to their Air Force Facility contract for accountability purposes and would be used only in the performance of Government contracts. It is proposed that appropriate elements of DFD review the above requests and approve or disapprove the requirement for transfer from [REDACTED] of the facilities.

5. Based upon the foregoing, it is recommended that you grant approval for the Contracting Officer to make disposition of the residual inventories under the subject contracts as set forth above.

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[REDACTED]  
Colonel, USAF  
Acting Chief, DFD-DD/P

The recommendation contained in paragraph 5 is approved:

RICHARD M. BISSELL, JR.  
Deputy Director (Plans)

Date

DFD-DD/P [REDACTED] (8 Apr '60) 25X1A

Distribution:

- Cy 1 - CB/DFD (HL-4646)
- 2 - CB/DFD (JM-1926)
- ✓ 3 - DD/P
- 4 - A/CH/DFD
- 5 - CH/IB/DFD
- 6 - CH/MAT/DFD
- 7 - Finan/DFD
- 8 - RI/DFD

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CONCURRENCES:

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SIGNED

[REDACTED]

Special Assistant for  
Technical Analysis

5 Apr. 1960  
Date

25X1A

for

[REDACTED]

Chief, Development Br., DPD

8 Apr. 1960  
Date

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for

[REDACTED]

Chief, Materiel Branch, DPD

28/4/60  
Date

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[REDACTED]

Chief, Contracts Branch, DPD

4/8/60.  
Date

PROJECT FACILITIES AVAILABLE

<u>ITEM</u>	<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
1	1	Bruning Traveling Light Vacuum Frame #5236L 64" x 180" complete with Vacuum Pump and Blanket, but not including glass	\$ 9,950.00	\$ 9,950.00
2	1	Duplicator, Electric, DITTO 18D75. Copy surface is 18" x 13 1/2" and machine is cream and green in color.	1,353.28	1,353.28
3	1	Printer, White, Peck and Harvey Lancer Model with Variac Lamp intensity control from 5000 watts to 3000 watts. Power is 208 volts, 60 cycles, single phase.	5,269.00	5,269.00
4	1	Blueprint Machine, Revolute M4 Automatic, 42", equipped with 150 watt quartz lamp 8 drum aluminum vertical dryer, high paper delivery, to operate throughout the entire speed range or 0 to 45 ft. per minute, wired for operation on 208 volts, 60 cycle, three phase A.C., machine equipped with stainless steel bearing hangers, rollers, chemical applicators, bulger bars in processor and Teflon coating two dryers, and including reversing switch.	11,375.00	11,375.00
5	17	Calculators, Rotary, automatic, electric, Monroe Model # 8M213	932.80	932.80
6	3	Scooter Motor, 2 passenger, 4 wheel, 12 volt ignition system, equipped with horn, head lights, tail lights, starter and generator combination, 7 quart gas tank and standard air filter, tires 18 x 5.50-8.	926.84	2,780.52
7	1	Rotary Furnace, Arcweld, 6 unit with Kanthal windings for maximum temperature of 2200 F and with Model #293-TCB Wheelco Capaciline Controller.	7,025.00	7,025.00